

Recycling Market Development Zones

**A State/Local Partnership with
California Businesses**

RMDZ Defined

- ◆ Marriage of economic development and recycling
- ◆ Supports State recycling mandates
 - Maintain 50% diversion from landfills
 - Every CA jurisdiction

RMDZ Program in A Nutshell

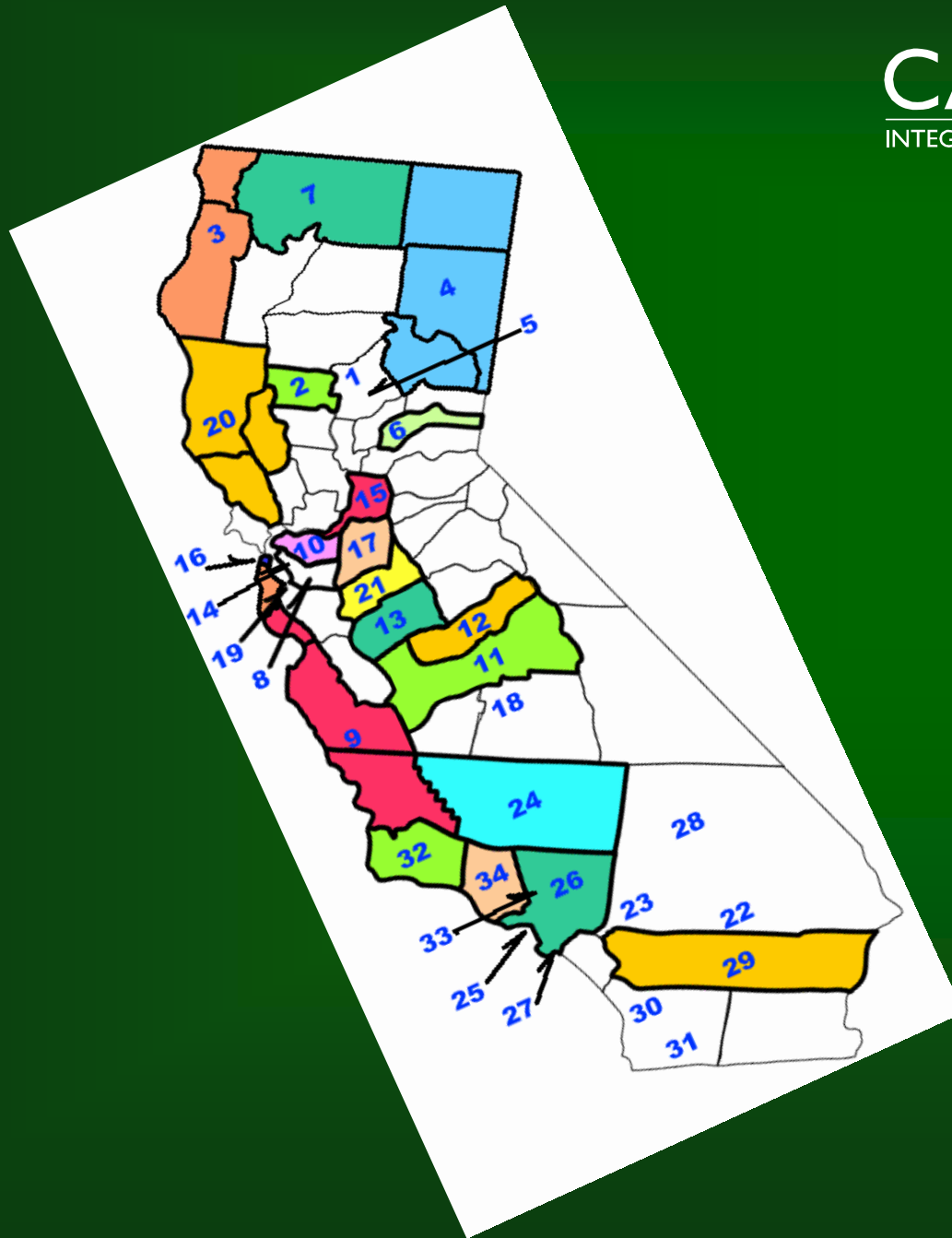
- ◆ Establishes recycling-based businesses, by combining state and local incentives
- ◆ Targets companies that divert waste from California landfills and prosper the local economy, primarily by either:
 1. **Processing recyclables to a ready state for manufacturing a product, or**
 2. **Manufacturing a recycled-content product**

Key Program Features

- ◆ **Financial Assistance**
 - **Below market rate loan, currently 5%**
- ◆ **Technical Assistance**
- ◆ **Marketing Assistance**



The 35 RMDZs



State RMDZ Program

**Technical, Financial, and
Marketing Assistance**



Business Development



- ◆ Help finding feedstock
- ◆ Access CIWMB technical experts
- ◆ Coordinate permits, connections with other government agencies



Financial Assistance

- ◆ Direct loans to businesses
- ◆ Must be located in an RMDZ
- ◆ Must divert non-hazardous waste from CA Landfills





Marketing Assistance



- ◆ Recycle Store
- ◆ RPC Directory
- ◆ RPC Trade Show
- ◆ Economic Gardening

Do Plastics Companies Get Loans?

- ◆ 24 businesses
- ◆ \$27 million
- ◆ 35% of all RMDZ loan dollars



1994-2005



Types of Projects Funded

- ◆ Waste prevention
- ◆ Reuse
- ◆ Recycling
- ◆ Conversion technology
 - Gasification
 - Acid hydrolysis
 - Enzyme hydrolysis

Use of Funds

- ◆ Buy machinery and equipment
- ◆ Buy owner-occupied real property (\$1 million cap)
- ◆ Leasehold improvements
- ◆ Working capital



Key Terms, Rates, & Fees

- ◆ Up to 75% of project cost, maximum \$2 million
- ◆ If secured by commercial real estate, term up to 15 years
- ◆ 10-year term
- ◆ Current rate 5%

Announcing ...

**\$25 million in loan
funds available
between July 2005
and June 2006**





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RMDZ Program

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